

ADVICE ON PRIVATE MOTOR VEHICLE IMPORTS

This fact sheet explains the customs and regulatory requirements for private importers, including immigrants, bringing a vehicle to New Zealand.

WHAT CUSTOMS CHARGES APPLY TO IMPORTED VEHICLES?

In general, motor vehicles and motorcycles are free from tariff duty and only subject to a goods and services tax of 15 percent. The exceptions are ambulances and motorhomes (vehicles for the transport of persons specially equipped for habitation, ie, with sleeping, cooking, and toilet facilities), which are subject to duty at the rate of 10 percent in addition to GST.

The absence of tariff duty does not necessarily make a privately imported vehicle an economic proposition after shipping/insurance costs have been taken into consideration. Importers are also cautioned that the New Zealand used motor vehicle market is awash with late model imports.

Where the value of a motor vehicle amounts to \$1,000 or more, Customs requires that the vehicle be entered on an Import Entry. An import entry transaction fee (IETF) will be payable.

The IETF is \$29.26 (GST inclusive). A biosecurity system entry levy of \$19.98 is collected by Customs on behalf of the Ministry for Primary Industries (MPI). This levy will be charged on all imports that attract the IETF. The funds collected by Customs from the levy are paid to MPI.

WHAT LEGAL REQUIREMENTS MUST MOTOR VEHICLES MEET?

Certification

All new or used motor vehicles, including motorcycles, imported into New Zealand must be certified by NZ Transport Agency (NZTA)-approved certifiers as complying with New Zealand legal requirements, before they can be registered for use on public roads in New Zealand.

The purpose of certification is to establish that a vehicle complies with relevant approved vehicle standards, and is still within safe tolerance of those standards. The applicable standards depend on the vehicle type and date of manufacture and/or first registration.

Certification requires the identification of the vehicle and the sighting of documentation to prove its original compliance with approved standards. NZTA-approved certifiers must be satisfied with any documentation provided for certification and may request confirmation or additional information.

The certification process also consists of a physical inspection of a vehicle to ensure that:

- » the vehicle has not been modified
- » replaceable components are original, or replacements comply with approved standards

- » the vehicle and its components and systems are still within safe tolerance of their state when manufactured.

The importer is responsible for supplying evidence of a vehicle's compliance with New Zealand legal requirements, in particular compliance of the vehicle with relevant approved standards.

In some cases, it may not be possible to certify a vehicle for registration and use in New Zealand. For example:

- » often vehicles manufactured in Asia or Africa do not comply with approved vehicle standards
- » some vehicle manufacturers do not or cannot supply information on compliance with approved vehicles standards.

Frontal impact rules

From 1 April 2002, all Class MA passenger vehicles (passenger vehicle that has not more than nine seating positions including the driver's seating position) must comply with an approved frontal impact standard before they can be certified and registered for use in New Zealand for the first time, unless:

- (a) the vehicle was border checked before 1 February 2002, or
- (b) the vehicle was first registered outside New Zealand 20 years or more prior to being certified for entry into service in New Zealand.

The vehicles listed in (a) and (b) above may be certified at any time, provided they meet other applicable requirements. In practice, this means that any class MA passenger vehicle to be certified for registration for the first time on or after 1 April 2002 must have documentation or other evidence proving that the vehicle meets an approved frontal impact standard, except in the two cases outlined above.

Any class MA passenger vehicle that does not meet an approved frontal impact standard will need to have been certified (ie, issued with a MR2A) before 1 April 2002 to enter the New Zealand vehicle fleet for the first time (except in the two cases outlined above). It is neither sufficient for the vehicle to only have a vehicle identification number (VIN) issued, nor sufficient for the vehicle to be in the certification process but not yet certified (for instance, because it requires structural or other repairs).

For detailed information on how to prove that a vehicle meets an approved frontal impact standard, refer to the NZTA website: www.nzta.govt.nz

Vehicle odometer

The *Customs Import Prohibition Order 2017* prohibits the importation of any motor vehicle with an odometer reading that does not correctly record the distance that the vehicle has been driven. The importation of any motor vehicle that lacks an odometer at the time of importation is similarly prohibited.

More information

Please contact NZTA for advice on matters relating to vehicle standards and safety requirements. NZTA has the following documents available for potential importers:

- » Factsheet 44—Bringing a light vehicle into New Zealand
- » Infosheet 1.67— Certification of imported motor vehicles.

Both documents are available on NZTA’s website www.nzta.govt.nz and can be requested from the NZTA help desk (Email: info@nzta.govt.nz, or Freephone: 0800 699000).

Potential importers are strongly advised to contact NZTA and obtain all necessary documentation prior to making arrangements for shipping a vehicle.

HOW ARE CUSTOMS CHARGES CALCULATED?

Customs value

Duty and GST are calculated on the customs value of privately imported new or used motor vehicles, which is determined in accordance with the provisions of the fourth Schedule of the Customs and Excise Act 2018. In normal circumstances, the customs value is determined as the price paid or payable overseas for the vehicle (which includes overseas vehicle registration fees and insurance costs paid to the retailer) by the importer, less:

- » any overseas duties or taxes included in the price paid which have been rebated or refunded before the vehicle arrives in New Zealand
- » an allowance for depreciation if the vehicle has been personally owned and used by the importer overseas for not less than 90 days prior to the arrival of the vehicle in New Zealand.

Depreciation

The following depreciation deductions can be made from the purchase cost of a vehicle or motorcycle owned and used overseas by the importer prior to shipping to New Zealand.

To qualify for a depreciation deduction the vehicle must have been owned and used by the importer for a minimum period of 90 days from the time of delivery after purchase to the date of handing in for shipment, or date of departure of the owner whichever is earlier.

Once qualified for a depreciation deduction the depreciation period is measured from the time of delivery (the date possession is taken following purchase) until the date on which the ship or aircraft carrying the vehicle arrives in New Zealand territorial waters.

Depreciation is not given if a vehicle is ordered from New Zealand, for example, over the internet, and the owner does not take delivery in person overseas and use the vehicle prior to handing it over for shipping to this country. Value is determined in accordance with Schedule 4 of the Customs and Excise Act 2018. In general terms this will be the full cost of purchasing the vehicle or motorcycle.

PERIOD OF OWNERSHIP AND USE OVERSEAS	DEPRECIATION DEDUCTION (%)
Less than 90 days	0
3 months or more, but less than 4 months	13
4 months or more, but less than 6 months	20
6 months or more, but less than 9 months	27.5
9 months or more, but less than 1 year	35
1 year or more, but less than 2 years	50
2 years or more, but less than 3 years	60
3 years or more, but less than 4 years	70
4 years or more	75

In normal circumstances, the maximum depreciation is 75 percent, but a special deduction (tropical depreciation) may be allowed in some instances where it can be demonstrated that high heat and humidity have accelerated the deterioration of a vehicle.

Exchange rates

To calculate the GST (and duty, if a campervan is involved) payable on the depreciated value, it is necessary to convert the currency of purchase into the New Zealand dollar equivalent. Exchange rates used by Customs are published fortnightly in the *Customs Release* and remain in force for a two-week period. A listing of the current exchange rates used for Customs' purposes can be obtained from any Customs office or on the Customs website www.customs.govt.nz (These rates may differ slightly from the currency rates published by overseas trading banks).

Shipping and marine insurance charges

Enquiries concerning these charges should be made to a shipping company trading with New Zealand.

Goods and services tax (GST)

GST is charged on all goods (including motor vehicles) imported into New Zealand, even though the transaction has been conducted offshore and the purchase price may already incorporate a local value-added or sales tax component. The current rate of GST is 15 percent. GST is calculated on the customs value of the vehicle, plus duty (if any), plus the cost of shipping the vehicle to New Zealand (including insurance charges).

Examples of calculations

Vehicle owned and used overseas by the importer for six months, but less than nine:

(a) Value for duty of vehicle — (pounds sterling)	£8,500.00
(b) Value for duty of vehicle (NZ\$) – converted using Customs exchange rate eg at 0.31	NZ\$27,419.00
(c) Value for duty after 27.5% depreciation allowed	NZ\$19,879.00
(d) Duty = (c) at a rate of duty of 0%	NZ\$0.00

(e) Freight, insurance and shipping costs	NZ\$4,500.00
(f) GST value = (c) + (d) + (e)	NZ\$24,379.00
(g) Goods and Services Tax (GST) = 15% of the total of (c) + (d) + (e)	NZ\$3,656.85
Payable	
Customs charges payable (d) + (g)	NZ\$3,656.85 (exceeds the de minimus)
Import entry transaction fee	NZ\$49.24
Total Payable	NZ\$3,706.09

Motorhome (campervan) owned and used overseas by the importer for two years but less than three:

(a) Value for duty of vehicle — (pounds sterling)	£18,000.00
(b) Value for duty of vehicle (NZ\$) – converted using Customs exchange rate eg at 0.31	NZ\$58,065.00
(c) Value for duty after 60% depreciation allowed	NZ\$23,226.00
(d) Duty = (c) at a rate of duty of 10%	NZ\$2,322.60
(e) Freight, insurance and shipping costs	NZ\$4,500.00
(f) GST value = (c) + (d) + (e)	NZ\$30,048.60
(g) Goods and Services Tax (GST) = 15% of the total of (c) + (d) + (e)	\$4,507.29
Payable	
Customs charges payable (d) + (g)	NZ\$6,829.89 (exceeds the de minimus)
Import entry transaction fee	NZ\$49.24
Total Payable	NZ\$6,879.13

Note:

Duty in addition to GST charged at the normal rate.

Other valuation methods

Where an importer supplies insufficient or unsatisfactory information, Customs may determine a value employing one of the alternative methods provided in

the fourth Schedule to the Customs and Excise Act 2018. For example, an alternative method of valuation may be used when:

- » the importer has purchased the vehicle overseas at an unrealistically low or token price
- » the vehicle was acquired by the importer as a gift or prize
- » the vehicle was constructed overseas by the importer
- » the value of the vehicle has been altered significantly after the date of purchase, for example, by major restoration, modification or improvement, replacement of parts and running repairs; or because of significant structural damage which occurred after the vehicle was acquired overseas by the importer
- » use of the depreciation allowance results in an unrealistically high Customs value.

To determine an alternative valuation:

- » the New Zealand market value of the vehicle, as imported, is established
- » a series of deductions is made for such things as overseas freight and insurance, duty (where applicable), GST and normal mark-ups, until a nominal value for duty can be determined
- » duty (if applicable) and GST are calculated on the nominal value.

DO CUSTOMS CHARGES APPLY TO MOTOR VEHICLES OR BOATS IMPORTED BY PERSONS ARRIVING WITH A DOCUMENT AUTHORISING RESIDENCE?

A person arriving in New Zealand who on the date of importation of the goods holds a document authorising residence in New Zealand has the ability to import a motor vehicle, motorcycle, and/or small ship (generally a trailer-borne boat) without having to pay the standard GST normally levied on all imported goods (this is called concessionary entry).

In the case of a motorhome or campervan, the concession also grants relief from tariff duty. It is possible to claim the concession for more than one vehicle, motorcycle, or boat, provided all the conditions set out below can be met in respect of each item for which duty (GST) free entry is sought.

A vehicle/trailer-borne boat/motorcycle will be admitted free of customs charges if the importer is able to establish that they:

- » have arrived in New Zealand and on the date of importation of the goods hold a document authorising residence in New Zealand, and
- » have for the whole of the period of 21 months preceding their arrival, resided outside New Zealand or been domiciled outside New Zealand, and
- » have personally owned and used the vehicle or boat overseas for at least one year before the date of their departure for New Zealand, or for at least one year before the date that the vehicle or boat is surrendered for shipping (or, where the boat is imported other than as cargo, the date of its departure for New Zealand), whichever is the earlier, and
- » give a written undertaking, in such form as a Customs officer may require, that if any such vehicle or boat is sold or otherwise disposed of within two years from the date of its importation, they will forthwith pay to Customs the Customs charges that would have applied at the time of their importation, or pay to Customs such lesser sum as may be required.

The conditions set out above are strictly applied and Customs has no discretionary licence to adapt them to suit particular circumstances, no matter how unusual or deserving these may be. There are heavy penalties under the law for those who are found guilty of making false or misleading declarations

or producing false documentation to enter goods under concessions. The penalties include monetary fines and, in addition, forfeiture of the goods concerned.

A document authorising residence in New Zealand means any of the following:

- » a New Zealand passport
- » an Australian passport
- » a current New Zealand residence visa or permit, or a current returning resident's visa or permit
- » a current permanent residence visa (including a resident return visa) issued by the Government of the Commonwealth of Australia
- » a current New Zealand work visa or work permit that was issued for a minimum of 12 months
- » a current New Zealand work visa or work permit, issued under the Work to Residency (Skilled Migrant Category) policy or the Long Term Business Visa/Permit category
- » a current New Zealand visitor's visa or permit that was issued for a minimum of three years.

Ships

For boats/ships (defined for this purpose as a sailing vessel exceeding 2.5 metres in width or a powered vessel exceeding 7 metres in length), concessionary entry is restricted to persons who on the date of importation of the ship hold a document authorising residence in New Zealand and are arriving to live in New Zealand for the first time, provided that the importer can prove ownership/use of at least 12 months. These craft are also subject to a two-year moratorium on sale or disposal and a written undertaking will also be required to ensure that any such boat will not be used in a commercial capacity for hire, or for the transport of cargo or the carriage of passengers for reward, within two years of the date of importation.

Rules on ownership and use

The actual age of a vehicle/boat is of no relevance in terms of eligibility for duty-free entry. Assuming that an importer meets the relevant residency requirements, the factor which determines whether a vehicle/boat can be imported without payment of Customs charges, is the ability to prove not less than 12 months personal ownership and personal use overseas.

Lifestyle and work requirements may dictate that an owner is not in a position to use a vehicle on a daily basis. This will not necessarily disqualify a vehicle from concessionary entry, provided the owner is able to satisfy Customs that the vehicle in question was at all times available for use if required. The key element is that the periods of actual use, if not continuous, should span a full twelve months.

Vehicles/boats will not, however, qualify if the owner surrenders them for shipping to New Zealand before the anniversary of the day on which original delivery was taken. For example, if a vehicle was purchased on 10 June and delivery taken on that day, it must not be handed over to be shipped before 10 June of the following year, and the owner must not leave for New Zealand before this date.

Documentary evidence of personal ownership and use of the vehicle/boat must be produced, for example:

- » dated receipt covering purchase and showing date on which actual delivery was taken
- » registration papers or copies certified by the appropriate authority
- » evidence of the date on which the vehicle/boat was surrendered for shipment to New Zealand
- » odometer reading at the time the vehicle was surrendered for shipping to New Zealand.

Note:

For the purposes of the concessions, the expression ‘personally owned’ shall extend to ships (boats), aircraft and motor vehicles including motorcycles (in this note referred to as ‘the goods’), which are:

- » leased by the importer for a period of at least one year prior to the date on which the importer departed from the country of exportation to New Zealand, or the date on which the goods were surrendered for shipping to New Zealand, whichever is the earlier, or
- » purchased by way of a hire purchase agreement and the importer has had possession for at least one year prior to the date on which the importer departed from the country of exportation to New Zealand, or the date on which the goods were surrendered for shipping to New Zealand, whichever is the earlier,

provided that in both instances the terms of the lease or of the hire purchase agreement, as the case may be, have been complied with in full by the importer prior to property in the goods passing to the importer, and prior to their importation into New Zealand.

Vehicles owned/registered by a company cannot be entered under the concessionary entry (reference 80 concession) as the importer, being a separate legal entity to the company, cannot meet the 12 month personal ownership requirement.

WHAT HAPPENS WHEN VEHICLES ARRIVE IN NEW ZEALAND?

Quarantine inspection and cleaning

All used vehicles are subject to a quarantine inspection on arrival by a MPI inspector. If the vehicle is found to be contaminated with soil, plant material or animal material, it will require cleaning sufficient to remove the contaminant. The importer is responsible for any charges for inspection and cleaning (if required).

Import clearance

After the vehicle has been inspected by MPI, importers should obtain an import clearance from Customs. The following documents will be of assistance in clearing a motor vehicle:

- » passport, if the importer travelled overseas to purchase the vehicle
- » invoice receipt showing total price paid and date of purchase
- » registration papers or certificate of permanent export (UK), certificate of title (USA), or de-registration certificate (Japan)
- » invoice showing exporting costs (Japan)
- » invoice showing freight costs and insurance to New Zealand
- » bill of lading
- » odometer reading at time of sale for export to New Zealand
- » odometer reading at time of importation into New Zealand.

After Customs clearance has been given, the vehicle should be presented to a transport services delivery (TSD) agent for inspection and a compliance audit. When this has been done, vehicles including motorcycles should be registered with the TSD agent.

Production of false documents

It is an offence to produce or deliver to a Customs officer any document that is not genuine, erroneous or defective in a material particular. It is also an offence to make a declaration or a written statement under Section 366-368 of the Customs and Excise Act 2018 that is erroneous, not genuine or faulty. Penalties can be as severe as a fine not exceeding \$10,000 or a term of imprisonment not exceeding six months for an individual. A fine of an amount not exceeding three times the value of the goods to which the offence relates can also be incurred.

Insurance

Insurance cover can be arranged after the owner’s arrival. New Zealand insurance companies provide the usual

type of cover for damage by accident, fire, loss, theft, and so on. No-claims bonus schemes also operate, so owners should bring documentary evidence of past motor vehicle ownership.

Personal belongings in vehicles

It is recommended that you do not pack personal belongings in your vehicle when it is being shipped to New Zealand for the following reasons:

- » if your vehicle is not containerised, items are very susceptible to pilferage and theft while the vehicle is on the wharf awaiting shipment or collection, or on the vessel carrying the vehicle to New Zealand. The vehicle is similarly ‘at risk’ after discharge onto a New Zealand wharf awaiting collection
- » many shippers or carriers will not accept your vehicle for shipment to New Zealand if it is packed with personal belongings
- » the shipper or carrier is required to present a complete list of what is being transported, including the contents of your vehicle, to Customs
- » the complete contents of your vehicle must be declared at the time they are presented to Customs for entry into New Zealand. If this is not done, you may be subject to a fine and the vehicle and its contents may be seized.

WHAT DO I NEED TO KNOW ABOUT VEHICLE IMPORTS FROM AUSTRALIA, JAPAN, THE UK, OR EUROPE?

Importing a vehicle from Australia

When purchasing a vehicle in Australia, it is standard practice to pay the dealer for accessories, registration, delivery, and other associated costs in addition to the purchase price of the vehicle. If the importer arranges independently for the vehicle to be shipped to New Zealand, the value for duty will be confined to those costs paid directly to the dealer. However, if the dealer arranges for the vehicle to be shipped to New Zealand,

the value for duty is the price of the vehicle on board the vessel at the port of export (less depreciation, if eligible).

Importing a vehicle from Japan

When buying a vehicle in Japan, it is common practice to employ an agent who has access to vehicle dealers and auctioneers. As well as assisting in the purchase of the vehicle, the agent is often used to prepare the appropriate documentation and arrange for the vehicle to be shipped to New Zealand. The charges for these services are considered to be associated with the purchase cost of the vehicle and are included in the value for duty and GST.

Importing a vehicle from the United Kingdom

It is relatively easy to purchase a new vehicle tax free in the United Kingdom and the invoiced price forms the value for duty. However, if the sale includes the cost of shipping to New Zealand, value for duty is the cost of the vehicle on board the vessel at the port of export.

Tax relief in the country of purchase

It may be possible to purchase a vehicle for export without payment of local car tax and/or value added tax. Contact the manufacturer or dealer.

Vehicles sold on tourist delivery schemes

New Zealand residents travelling overseas to Europe or the United Kingdom are sometimes able to place an order with the New Zealand vehicle distributor for the brand concerned and take delivery of the new car 'tax free' upon arrival at their destination. These vehicles are sold under what is known as the 'tourist delivery vehicle' scheme.

Some New Zealand distributors will be prepared to import your vehicle for you when you wish to return to this country.

You should take advantage of the offer as the franchise holder has access to an invoice, not available to the owner, which excludes dealer commission from the price paid for the vehicle. The invoice you received when buying the vehicle includes this commission. The net invoiced price can then be used as the basis for arriving at a value for duty. Depreciation will also be granted for the period of personal ownership/use, but this period will only commence at the time physical delivery of the vehicle is taken, not from the time at which the order or payment is made. In other words, depreciation is not given for a vehicle under construction.

Where the distributor does not offer to clear your vehicle through Customs, the invoice you received forms the basis of the calculation to determine the value for duty.

CAN I GET A WRITTEN ESTIMATE OF THE CUSTOMS CHARGES PAYABLE ON MY VEHICLE?

Based on the information contained in this fact sheet, private importers should be able to calculate the likely customs charges payable. Should you have any doubts about importing your vehicle or other questions on Customs matters, please contact Customs at the port in New Zealand through which your vehicle is likely to be imported.

FOR FURTHER INFORMATION

Contact your nearest office of the New Zealand Customs Service, visit the Customs website www.customs.govt.nz or call Customs on 0800 428 786 (0800 4 CUSTOMS).